

BEFORE THE IDAHO BOARD OF TAX APPEALS

LENARD FRANK,	)	
	)	
Appellant,	)	APPEAL NO. 14-A-1057
	)	
v.	)	FINAL DECISION
	)	AND ORDER
BONNER COUNTY,	)	
	)	
Respondent.	)	
	)	
	)	
	)	

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**VACANT PROPERTY APPEAL**

This appeal is taken from a decision of the Bonner County Board of Equalization (BOE) denying the protest of valuation for taxing purposes of property described by Parcel No. RP000160040030A. The appeal concerns the 2014 tax year. This matter came on for telephonic hearing September 18, 2014 before Hearing Officer Cindy Pollock.

Appellant Lenard Frank was self-represented. Assessor Jerry Clemons represented Respondent.

Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision.

**The issue on appeal concerns the market value of a vacant residential parcel.**

**The decision of the Bonner County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$80,505. Appellant contends the correct land value is \$60,000.

The subject property is an unimproved 2.61 acre rural residential parcel located in the Baylen View Estates subdivision. The parcel has no water, septic, or electrical services.

Appellant contended subject's assessed value was too high considering the climate of the local real estate market during 2013. It was also noted access to subject is via a dirt road which is not maintained by the county. A local realtor concurred with Appellant's position that subject's current assessed value was too high and unsupported by the marketplace.

Respondent offered four (4) sales for comparison to subject. Sale Nos. 1 and 2 were located in subject's immediate proximity. The properties sold in 2013 for \$312,000 and \$220,000, respectively. Both properties were improved. Lot sizes were 1.25 acres for Sale No. 1 and 1.265 acres for Sale No. 2. After removing the value attributable to improvements, including onsite improvements, Respondent determined residual bare land values of \$73,490 for Sale No.1 and \$59,580 for Sale No. 2. Respondent's Sale No. 3 likewise was improved at the time of sale. The 1.02 acre parcel, located near Garfield Bay, sold for \$315,000, leaving an indicated residual land value of \$114,620. The remaining sale concerned an undeveloped 1.07 acre lot, situated approximately 2.5 miles from subject. The parcel sold for \$55,000, or \$42,000 after the value of the onsite improvements were removed.

Appellant challenged the comparability of Respondent's sales. The first two (2) sales were improved and the other two (2) sales were located near the water. Access to all the sales was noted to be superior to subject's dirt road access. Appellant also characterized the extraction method used by Respondent as highly subjective. Appellant contended only unimproved sales should have been used.

## CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or as applicable exempt status. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2014 in this case. Market value is defined in Idaho Code § 63-201, as,

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

There are three (3) generally accepted appraisal methods for determining market value: the cost approach, the income approach, and the sales comparison approach. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Respondent's analysis included sales, however, it was not strictly a sales comparison approach. Rather, it was a blended technique relying on elements of both the sales comparison and cost approaches. Respondent looked at 2013 sales and used a cost approach to estimate the value of the improvements included therein. Cost approach details were not shared. Calculated improvement values were then subtracted from the sale price and the remaining value was attributed to the land.

The Board would have preferred a comparison of like properties to subject, a bare land lot, rather than the extraction method. We understand 2013 sales from subject's immediate area were not available in this case. In such instances, an acceptable appraisal practice is to expand the scope of the search, both in terms of geography and time of sale.

Despite the Board's concerns, Respondent's analysis represented the only attempt in the record to support subject's value using market data. The sale properties were all notably smaller than subject in terms of acreage and most were regarded as superior in terms of location and/or access. That being said, subject was assessed much lower per acre than any of the sales offered, which demonstrates consideration was given to subject's particular characteristics.

In appeals to this Board, the burden is with Appellant to prove error in the assessed value determined by the assessor by a preponderance of the evidence. Idaho Code § 63-511. The burden of proof was not satisfied in this instance. Appellant offered no market value evidence to support the requested value of \$60,000. The only market-derived information concerning value was that provided by Respondent. As such, the Board finds Respondent's value position better supported.

Based on the above, the decision of the Bonner County Board of Equalization is affirmed.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bonner County Board of Equalization concerning the subject parcel be, and the

same hereby is, AFFIRMED.

DATED this 19<sup>th</sup> day of November, 2014.